

**CITY OF MORGAN HILL
JOINT REGULAR REDEVELOPMENT
AND SPECIAL CITY COUNCIL MEETING
MINUTES – MARCH 22, 2006**

CALL TO ORDER

Vice-chair/Mayor Pro Tempore Grzan called the special meeting to order at 7:00 p.m.

ROLL CALL ATTENDANCE

Present: Agency/Council Members Carr, Grzan, Sellers
Late: Chair/Mayor Kennedy (arrived at 7:49 p.m.)
Absent: Agency/Council Member Tate

DECLARATION OF POSTING OF AGENDA

Agency Secretary/City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

PROCLAMATIONS

Council Member Carr stated that he is a member of the South County Regional Wastewater Authority. He indicated that Paul Roy, Operational Management International, Inc. (OMI), general manager of the wastewater treatment plant, was in attendance to address the award received jointly by the Cities of Morgan Hill and Gilroy.

Paul Roy informed the Council that the award presented is the 2005 Overall Plant of the Year Award. He said that the California Water Environment Association presents this award annually to a plant that best exemplifies top operations. He indicated that the top operations are measured in 19 different parameters from financial to environmental compliance. He stated that Monterey Bay is the section to which the award was presented to the joint Morgan Hill-Gilroy plant. He thanked the Council for its vision and leadership; making it possible to win this award.

Mayor Pro Tempore Grzan indicated that a Santa Clara County Board of Supervisor has asked the City of Morgan Hill to present a Health Awareness Proclamation in an effort to support and motivate the community to choose a healthy and well balanced life style. On behalf of the City Council, he encouraged the promotion of health awareness by all residents, community organizations and all levels of government.

PRESENTATION

Director of Business Assistance and Housing Services Toy indicated that recently, the Morgan Hill Redevelopment Agency received an Award of Excellence from the California Redevelopment Association under the category of commercial and industrial development for the adoptive reuse of the

historic Granary project developed by Weston-Miles Architects with some financial assistance from the Redevelopment Agency. He presented the award to Charles Weston and Leslie Miles.

CITY COUNCIL COMMITTEE REPORT

None.

OTHER REPORTS

City Manager Tewes reported on flood control. He indicated that although the longer rainy season has been spread out, the City has not experienced significant flooding problems. However, the City understands it remains susceptible to large amount of rain; particularly in the downtown area which can flood. Because of this, the Council has long supported the federal Corp of Engineers' PL566 project that would significantly expand flood protection for the western portion of the community; especially the downtown. He stated that there has been a beurocratic fight taking place, with the Corp of Engineers believing they did not have sufficient federal authority to keep working on the project. He indicated the City is at a stage where it is finishing the environmental impact statement and preliminary engineering. He reported that he received word this week from Congressman Pombo's office that the Corp of Engineers has agreed that there is sufficient authority to keep working on this project. He stated that Congressman Pombo will work on subsequent federal legislation to make this project absolutely clear. Therefore, the PL566 project is back on track and will remain on track.

PUBLIC COMMENT

Vice-chairman/Mayor Pro Tempore Grzan opened the floor to public comments for items not appearing on this evening's agenda.

Matt Vignieri, San Martin resident, speaking in support of the Live Oak High School Grad Night program, informed the Council that \$34,000 needs to be raised for the Grad Night program, or it will be in jeopardy. This amount equates to \$57 per graduating student to ensure safety and provide for a special evening. He said that parents, local businesses and the community at large have helped to get close to the goal, but there remains a shortage of funds. He requested the City of Morgan Hill provide monetary support for Grad Night. He said that the volunteers for this program will agree to repay the generous donation through equivalent hours of community service to the City.

City Manager Tewes confirmed the law that governs open meetings does not allow the Council to take action or comment on items not listed on the agenda. Therefore, this item can be scheduled for the next Council meeting to allow discussion.

Nick Bowden, Live Oak High School Principal, supported funding for the Grad Night program in order to keep senior students safe.

No further comments were offered.

Redevelopment Agency Action

CONSENT CALENDAR:

Action: *On a motion by Agency Member Sellers and seconded by Agency Member Carr, the Agency Board, on a 3-0 vote with Agency Member Tate and Chairman Kennedy absent, Approved Consent Calendar Item 1 as follows:*

1. **FEBRUARY 2006 FINANCE AND INVESTMENT REPORT - RDA**
 Action: Accepted and Filed.

City Council Action

CONSENT CALENDAR:

City Manager Tewes informed the Council that on the Dais this evening, it will find clarifying information on Consent Calendar Items 3 (adoption of the negative declaration and a minor amendment to the Community Park Master Plan); and 10 (staff recommends the appropriation of an additional \$13,000, should it be needed, to help keep the project on a fast track; and the design of the West Little Llagas Trail). However, staff does not recommend these items be pulled from the Consent Calendar to be acted upon separately.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 3-0 vote with Council Member Tate and Mayor Kennedy absent, Approved Consent Calendar Items 2-23, as follows:*

2. **FEBRUARY 2006 FINANCE AND INVESTMENT REPORT - CITY**
 Action: Accepted and Filed.
3. **AMENDMENT TO COMMUNITY PARK MASTER PLAN AND ADOPTION OF MITIGATED NEGATIVE DECLARATION**
 Action: 1) Adopted Mitigated Negative Declaration; and 2) Approved Amendment to Community Park Master Plan (per the amended supplemental information presented this evening).
4. **INDOOR RECREATION CENTER PROJECT – FEBRUARY CONSTRUCTION PROGRESS REPORT**
 Action: Information Only.

5. **SALE OF A BELOW MARKET RATE (BMR) PROPERTY – 15215 MONTICELLO WAY**
Action: 1) **Authorized** the City Manager to Spend \$20,000 to Repair the BMR Residence at 15215 Monticello Way; and 2) **Authorized** the City Manager to do Everything Necessary and Appropriate to Prepare and Execute the Agreements Required to Sell the Unit to an Eligible BMR Buyer in an Amount not to Exceed \$191,900 in Accordance with the BMR Program Guidelines.
6. **REQUEST FOR APPROPRIATION OF FUNDING FOR A JUNE 6, 2006 SPECIAL ELECTION; RECOGNIZE REVENUE SOURCE**
Action: 1) **Appropriated** \$76,000 to Pay for the Costs Associated with a June 6, 2006 Special Election; and 2) **Recognized** \$5,000 in Revenue from the Morris Family, Owners of the Cochrane Plaza Shopping Center.
7. **AWARD OF PROFESSIONAL SERVICES CONTRACT FOR THE DEVELOPMENT OF TRAFFIC SIGNAL TIMING INTERCONNECTION ON TENNANT AVENUE AND EAST DUNNE AVENUE**
Action: **Authorized** the City Manager to Execute a Consultant Agreement with Fehr & Peers Transportation Consultants, for the Development of Traffic Signal Timing on Tennant Avenue and East Dunne Avenue, Subject to Review and Approval by the City Attorney, for a Not-To-Exceed Fee of \$36,510.
8. **IRREVOCABLE OFFER OF DEDICATION FOR PORTION OF TRAIL DRIVE**
Action: 1) **Adopted** Resolution No. 5984, Acknowledging and Deferring Acceptance of the Offer of Street Dedication for a Portion of Trail Drive; and 2) **Directed** the City Clerk to File a Certified Copy of the Resolution in the Office of the Recorder of Santa Clara County.
9. **AWARD OF PROFESSIONAL SERVICES CONTRACT TO PREPARE PLAN LINE FOR THE SOUTHERLY EXTENSION OF BUTTERFIELD BOULEVARD**
Action: **Authorized** the City Manager to Execute a Consultant Agreement to Prepare a Plan Line for the Southerly Extension of Butterfield Boulevard with MH Engineering; Subject to Review and Approval by the City Attorney.
10. **AWARD OF PROFESSIONAL SERVICES CONTRACT TO DESIGN A PORTION OF THE WEST LITTLE LLAGAS CREEK BIKE TRAIL**
Action: 1) **Appropriated** an additional \$13,000; and 2) **Authorized** the City Manager to Execute a Consultant Agreement to Prepare Plans and Specifications for the Design of a Portion of the West Little Llagas Creek Bike Trail with Questa Engineering Corporation, Subject to Review and Approval by the City Attorney (per the amended supplemental information).

11. **FINAL MAP APPROVAL FOR PEAR TREE ESTATES (TRACT 9641)**
***Action:** 1) Approved the Final Map, Subdivision Agreement and Improvement Plans; 2) Authorized the City Manager to Sign the Subdivision Improvement Agreement on Behalf of the City; and 3) Authorized the Recordation of the Map and the Subdivision Improvement Agreement, Following Recordation of the Development Improvement Agreement.*
12. **ACCEPTANCE OF PUBLIC IMPROVEMENTS FOR DEWITT-LATALA**
***Action:** 1) Adopted Resolution No. 5985, Accepting the Public Improvements for DeWitt-Latala; and 2) Directed the City Clerk to File a Notice of Completion with the County Recorder's Office.*
13. **ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 9478, MONTE VILLA PHASE III**
***Action:** 1) Adopted Resolution No. 5986, Accepting the Subdivision Improvements Included in Tract 9478, Commonly Known as Monte Villa Phase III; and 2) Directed the City Clerk to File a Notice of Completion with the County Recorder's Office.*
14. **INDOOR RECREATION CENTER PROJECT – AUTHORIZE ADDITIONAL SERVICES FOR CONSTRUCTION CONSULTANT**
***Action:** Authorized the City Manager to Execute a First Amendment to the Professional Services Agreement with Biggs Cardosa Associates in the Amount of \$30,000, for a Total Fee Not to Exceed \$115,000; Subject to Review and Approval by the City Attorney.*
15. **APPROVE CONSULTANT AGREEMENT FOR DESIGN OF TRUNK SEWER LINE #2 – PHASE 1**
***Action:** Authorized the City Manager to Execute a Consultant Agreement with Schaaf & Wheeler for the Design of a New Trunk Sewer Line #2 – Phase 1 for a Fee not to Exceed \$232,422.*
16. **LOT LINE ADJUSTMENT PARCEL MAP APPROVAL FOR SUTTERHILL, LLC**
***Action:** 1) Approved the Lot Line Adjustment Parcel Map, Including the Abandonment of a Water Line Easement and Sanitary Sewer Easement on the Property; and 2) Authorized the Recordation of the Map.*
17. **AWARD OF TENNANT AVENUE WIDENING PROJECT**
***Action:** 1) Appropriated \$120,000 from the Current Year Un-Appropriated Traffic Impact Fee Fund Balance (309) into the Project Account (507B99); and 2) Awarded Contract to Wattis Construction Company, Inc. for the Construction of the Tennant Avenue Widening Project in the Amount of \$656,335; and 3) Authorized Expenditure of Construction Contingency Funds, Not to Exceed \$65,633.*

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18. **NEW POSITION – SENIOR BUSINESS ASSISTANCE AND HOUSING SERVICES (BAHS) COORDINATOR**
*Action: 1) **Approved** the Job Description and Salary Range for a New Position of Senior BAHS Coordinator; and 2) **Adopted** Resolution No. 5987, Amending the Management, Professional and Confidential Employees Resolution No. 5872 to Include the New Position and Salary Range of Senior BAHS Coordinator.*
19. **RESOLUTION PROVIDING AMENDED SALARY RATES FOR RESERVE POLICE OFFICERS**
*Action: **Adopted** Resolution No. 5988, Amending the Temporary/Seasonal Employee Resolution No. 5892 to Change the Salary Rates for Level I Reserve Police Officer and Level II Reserve Police Officer.*
20. **FOURTH AMENDMENT TO AGREEMENT WITH THE LAW FIRM OF JORGENSON, SIEGEL, McCLURE & FLEGEL, LLP**
*Action: **Authorized** the City Manager to Execute a Fourth Amendment to Agreement with the Law Firm of Jorgenson, Siegel, McClure & Flegel, LLP; Subject to Review and Approval by the City Attorney.*
21. **AGREEMENTS WITH PACIFIC MUNICIPAL CONSULTANTS AND FRY'S ELECTRONICS REGARDING PREPARATION OF A SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT OR AN ADDENDUM TO THE ENVIRONMENTAL IMPACT REPORT FOR AN AMENDMENT TO A PLANNED UNIT DEVELOPMENT FOR THE AMERICAN INSTITUTE OF MATHEMATICS FACILITY**
*Action: **Authorized** the City Manager to Execute an Agreement between the City of Morgan Hill and Pacific Municipal Consultants (PMC), and an Agreement between the City of Morgan Hill and Fry's Electronics; Subject to Review and Approval by the City Attorney.*
22. **STATUS REPORT ON AGREEMENT WITH THE YMCA OF SANTA CLARA VALLEY FOR OPERATING THE COMMUNITY RECREATION CENTER**
*Action: **Accepted** Report.*
23. **AWARD OF DEPOT STREET UNDERGROUNDING UTILITIES PROJECT**
*Action: 1) **Awarded** Contract to West Valley Construction for the Construction of the Depot Street Undergrounding Utilities Project in the Amount of \$780,810, Subject to Review and Approval by the City Attorney; and 2) **Authorized** Expenditure of Construction Contingency Funds, Not to Exceed \$78,081.*

Redevelopment Agency and City Council Action

CONSENT CALENDAR:

Executive Director/City Manager Tewes informed the Agency Board/City Council that a modification is proposed to Consent Calendar Item 26, the March 22, 2006 Minutes, as requested by Council/Agency Member Tate.

Action: *On a motion by Agency/Council Member Sellers and seconded by Agency/Council Member Carr, the Agency Board/City Council, on a 3-0 vote with Agency/Council Member Tate and Chair/Mayor Kennedy absent, **Approved** Consent Calendar Items 24-26, as follows:*

24. **POLICY REGARDING CITY COUNCIL AND REDEVELOPMENT AGENCY MEETING SCHEDULE**

Action: ***Adopted** Policy.*

25. **JOINT REGULAR REDEVELOPMENT AGENCY AND SPECIAL CITY COUNCIL MEETING MINUTES OF FEBRUARY 22, 2006**

Action: ***Approved** as Submitted.*

26. **JOINT REGULAR AND SPECIAL CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF MARCH 1, 2006**

Action: ***Approved** as amended.*

City Council Action

PUBLIC HEARINGS:

27. **ZONING AMENDMENT, ZAA-04-11: COCHRANE-TBI** – *Ordinance No. 1764, New Series*

Director of Community Development Molloy Previsich presented the staff report on a request for approval of a precise development plan and Planned Unit Development (PUD) guidelines for a 77,000 square foot commercial shopping center to be located at the northwest corner of Madrone Parkway and Cochrane Road. She informed the Council that on February 28, 2006, the Planning Commission voted unanimously to recommend approval of the precise development plan and the PUD guidelines. She indicated that the Planning Commission is not recommending franchise architecture, consistent with the City's normal PUD standards. It was her understanding that the applicant is supportive of the Planning Commission's recommendation. She stated that a mitigated negative declaration was adopted in 2004, at the time the general plan and zoning amendment applications were approved. The environmental consultants prepared an addendum that documents the earlier mitigated negative declaration as being adequate for taking action this evening.

Mayor Pro Tempore Grzan opened the public hearing.

Brad Krouscup, Toeniskoetter and Breeding, Inc. (TBI) Development, applicant, indicated that this is an 8 acre project fronting Cochrane Road and dates back to October 2004; the entrance to the Madrone Business Park. He stated that when the general plan was amended and a PUD was established for the development of a retail center. He stated his appreciation of the support and cooperation from planning and public works staff. This cooperation fostered the fact that this request comes before the Council with a 7-0 positive recommendation from the Planning Commission. He indicated that he has been before the Architectural Review Board twice and has received preliminary good comments and directions for the project. He stated that he intends to make this shopping center the finest retail center in south county and that they are looking forward to getting the project under way.

Council Member Sellers indicated that citizens clamor more projects they would like to see locate in Morgan Hill, but that when the City approves projects, everyone is careful and cautious about how much development comes together. Another question asked is whether the City is allowing more development than it can absorb in light of this project, the project recently approved across the freeway, and the vacancies coming up at the existing Target location. He inquired as to the market this development would be seeking, whether the applicant was finding interest for the project, and whether individuals are receptive to locating in Morgan Hill. Are the potential retail businesses are of the caliber the City is looking for would be; the kind of retail that everyone is hoping would be attracted to Morgan Hill?

Mr. Krouscup indicated that TBI proceeded very cautiously on this project as there is a lot of retail planned for the Cochrane Road corridor. It was his belief that each project was diverse enough that TBI would be able to set itself apart from other retail centers. He informed the Council that they originally thought that they would market the project as a 76,000-77,000 square foot retail center; finding an anchor tenant of 25,000-50,000 square feet and move forward. However, there is a lot taking place on Cochrane Road. He stated that TBI made a decision eight months ago to phase this project. He said that Phase 1 is proposed to be at 28,000 square feet. The first pad to be for the expansion of South Valley National Bank. The shopping center will largely serve the business population on Cochrane Road and will have a financial feel to it, to a certain extent. He stated that TBI is talking to other financial businesses at this time as well as business support services. He said that user groups would require between 1,000-8,000 square feet of building area. This is how they are distinguishing the first phase of the project. He informed the Council that TBI is preliminary in the market. He stated that TBI wants to identify and anchor tank, the bank, as part of phase 1. It was his belief that the project would sell itself to a large extent. TBI would like to be one of the options for a grocery store at the Cochrane corridor. He felt that a grocery chain will have good options on Cochrane Road. He felt that this is what the City wants, whether it is backfilling the existing Target Store, the Browman-Dinapoli project, or Phase 2 of this project. He stated that TBI proceeded carefully so as not to put too much square footage on the market. He indicated that TBI is comfortable with the direction they are taking.

Council Member Sellers felt that the customer based options being pursued would be complimentary to the other projects and that the businesses to be attracted will be users of other facilities.

Council Member Carr noted that there were several modifications added by the Planning Commission. He inquired whether there were any concerns with the modifications by the developer.

Mr. Krouscup indicated that the modifications were worked out. He said that there was a discussion regarding franchise architecture. He said that when you discuss this terminology, it almost degrades the project. He informed the Council that he wanted to leave franchise architecture as an option so long as the project had to return to the City for review as a restaurant may wish to use a franchise element that would be great and compatible with the architecture. However, after the discussion with the Planning Commission, he is comfortable with the decisions made and compromises made.

No further comments being offered, the public hearing was closed.

Council Member Sellers said that there are always concerns when you are building multiple projects when they came on line together; including changes taking place at Cochrane Plaza. There was concern, initially, that the City would be in a position where it would be saturated the market. He noted that Mr. Krouscup mentioned that the City does not want everyone to be 40% successful, but that everyone needs to be 100% successful. He stated that he was encouraged by the comments presented this evening in terms of the proposed phasing of the project and in the kinds of businesses to be attracted. He felt that business would be attracted to locate in the center to make it a viable center, but would be complimentary to what the City is doing in this quadrant.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 3-0 vote with Council Member Tate and Mayor Kennedy absent, **Approved** the Addendum to the Mitigated Negative Declaration.*

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 3-0 vote with Council Member Tate and Mayor Kennedy absent, **Waived** the Reading in Full of Ordinance No. 1764, New Series.*

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council **Introduced** Ordinance No. 1764, New Series, by Title Only, as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A PRECISE DEVELOPMENT PLAN AND PUD GUIDELINES FOR A PLANNED UNIT DEVELOPMENT LOCATED AT THE NORTHWEST CORNER OF COCHRANE ROAD AND MADRONE PARKWAY (APN 726-33-028) (ZAA-04-11: COCHRANE-TBI)**, by the following roll call vote: AYES: Carr, Grzan, Sellers; NOES: None; ABSTAIN: None; ABSENT: Kennedy, Tate.*

28. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ANNUAL ALLOCATION (FY 2006-2007) – Resolution No. 5989

Director of Business Assistance and Housing Services Toy presented the staff report, informing the Council that there is \$38,611 available for public service activities, \$85,000+ for none public service and/or capital projects, and up to \$15,000 for administration; for a total of approximately \$139,070 in

CDBG funds. This amount is a slight decrease from last year's \$156,000 CDBG funds and that these funds were supplemented by \$71,000 in other funds to augment activities. He stated that 15 proposals were received requesting CDBG funds. He indicated that 13 requests were for CDBG funds totaling approximately \$139,000. Of the 13 requests, 2 proposals are new and 2 proposals are for none public service funds. He stated that staff is recommending that the City continue with its policy of augmenting CDBG funds with 20% housing set aside funds (\$57,500); housing mitigation funds (\$15,000) and senior housing trust funds (\$13,100). Staff further recommends that funds be appropriated through the budget approval process, and that the City maintain the same funding level as was done in the Fiscal Year 2005-06 to the different recipients. He addressed the individual requests received and the recommended funding levels/none funding support.

Council Member Sellers noted that staff mentioned that the Rebuilding Home Repair Days project, a new applicant, appears to be duplicating a City program. He inquired whether there was an opportunity for this agency to partner with the City or to partner with the senior citizens who might be taking advantage of the grants to make the dollars/resources stretch further.

Mr. Toy felt there were opportunities to partner. It was his understanding that there are approximately 1 or 2 households that receive City grants and that this agency provides additional services to senior citizens; supplementing the City's contribution.

Mayor Pro Tempore Grzan opened the public hearing.

Martin Eichner, Director of Mediation and Counseling Programs for Project Sentinel, stated his support of staff's recommendation for continued funding in support of the local program for another year. He indicated that Project Sentinel has substantially exceeded its contract goals; doubling the number of cases their contract called for. They also handled phone calls approximately 35% above the contract goal. Further, they offered supplemental services through their other funding sources such as HUD that benefits the City. He stated that Project Sentinel offers several levels of services. They answer calls and offer counseling on the rights/responsibilities of landlords and tenants. He indicated that a fair number of landlords use their services. They offer workshops on tenant rights and landowners responsibility in order to avoid disputes and misunderstanding.

Perla Flores informed the Council that she oversees domestic violence and sexual assault services for Community Solutions. She requested \$16,000 in continued support in order to provide emergency housing, food, transportation, counseling and supportive services to victims of domestic violence for La Isla Pacifica, the battered women's shelter. She provided the Council with information and statistics regarding domestic violence nationally and locally throughout the County.

Lori Escobar, Educational and Recreational Services Program Director for Community Solutions, thanked the Council for all the support given to the El Toro Youth Center over the years. She indicated that a group of young individuals have organized the El Toro Youth Center Cesar Chavez Leadership Group. These youth will be hosting a conference on April 29 that will include a variety of workshops covering health issues, as well as targeting low income Latino youth toward a college direction. She

indicated that she and the youth are looking forward to having Council members attend the conference or be a part of the conference.

Mayor Kennedy entered and was seated.

Eloisa Gamez, Director for the South County Day Worker Center, stated her appreciation for funding granted in the past and stated that she would appreciate the same level of funding again this year. She indicated that the Day Worker Center offers ESL and nutrition classes. She indicated that other agencies have provided information on services provided in the community, including health services, registering youths for schools and serves, presentations on citizenships and immigration services, etc.

Martha Bell, South County Branch Manager, Silicon Valley Independent Living Center, informed the Council that the Center was established in 1976. This agency is unique as it offers several different programs to the disabled and the elderly, particularly housing assistance and personal assistance to the disabled. Funding is needed for the opening of a satellite office at Jasmine Square, offering services 1-2 days per week. She stated that the clientele from Morgan Hill rose last year. With the satellite office, she anticipates being able to provide better service to clients residing in Morgan Hill.

Council Member Sellers stated that he was encouraged to hear that a satellite office will be opened in Morgan Hill. He said that it is difficult for the Council to get too far away from staff's funding recommendation with the meager funds available. However, the City would monitor the program to see if additional funding can be found as the case load increases.

Cindy McCoun, Second Harvest Foodbank, Operation Brown Bag Program, informed the Council that this agency has been serving the community in a variety of ways for some time. The agency is requesting funding for the Operation Brown Bag Program that targets low income seniors. They propose to provide ongoing weekly distribution of groceries to 89 senior citizen households. She addressed the other services provided by this agency. She noted that this is a self help program. She thanked the City Council for its ongoing support and for considering their proposal this evening. She invited Council members to stop by on Thursday mornings to help bag food or to talk with senior citizens.

Marlene Siebert, Catholic Charities, spoke on behalf of the Long Term Care Ombudsman Program and the Shared Housing Project - Depot Commons. She indicated that she is a state certified long term care ombudsman and a staff member with Catholic Charities. She stated her support of the recommended funding in the amount of \$4,500 from the Senior Trust fund. She indicated that the Long Term Care Ombudsman Program advocates for residents that live in long term care facilities. She addressed the Depot Commons project, reading a prepared statement from Rosie Statt, Catholic Charities, regarding improvements made to Depot Commons, and provided an update on some of the tenants.

Barry Del Buono addressed the shelter to be built south of San Martin. He said that he understands there is not enough money this year to go around. He indicated that this is a \$7 million project with \$4 million coming from grants and \$3 million from Home Aid (home builders' foundation). He stated that there will be enough money available during the course of construction. However, he will continue to return requesting funding assistance as there are some items that need to be paid off at the tail end of

construction. He informed the Council John Sobrato has guaranteed the project, and has floated no interest loans during the course of construction. It is his hope that staff will keep this project on the back burner.

Kevin Heuer, Rebuilding Together Silicon Valley, informed the Council that this organization provides free home repairs to low income elderly and disabled home owners. He informed the Council that this organization has been active in Morgan Hill for a number of years; usually completing repairs for low income Morgan Hill senior citizens at 1 or 2 per year. He is requesting \$5,000 in order to purchase building materials. He indicated that every dollar received will go directly toward a home of a needy senior; avoiding labor and overhead costs. This model and donated materials allows for leveraging \$6 in repair for every \$1 donated. He understood the concern that this program may be a duplication of services already offered by the City's Mobile Home Repair Grant program. He said that almost all residents in Morgan Hill who they assist over the past three years have been recipients of the City's Mobile Home Repair Grant Program. He does not believe this program duplicates city services, but provides additional assistance to low income seniors who have serious repair issues and are not eligible for a City grant or able to repay a low interest loan. This organization collaborates with City staff to supplement additional safety repairs needed at the homes of past grant recipients.

No further comments being offered, the public hearing was closed.

Mayor Kennedy inquired whether RDA Housing Funds were available for this particular request.

Mr. Toy responded that RDA Housing Funds are available should the Council chose to fund this activity (RDA low-moderate funds).

Council Members Sellers noted that Mr. Heuer indicated that funds would be used primarily for material. Therefore, there may be some RDA funds available for this activity.

Mayor Kennedy felt there may be some gaps in coverage as identified by Mr. Heuer. He recommended the City help fill this gap by supporting this program. He recommended an initial \$1,500 grant from the RDA Housing funds.

Mayor Pro Tempore Grzan stated that he would support Mayor Kennedy's recommendation, should RDA funds be available to fund this activity.

Council Member Carr said that it appears that partnering is occurring as Mr. Heuer is in contact with City staff. He indicated that these funding opportunities are not growing; but dwindling each year. Therefore, the City is supplementing programs with other City/RDA resources. As the City starts to fund new applications, the Council needs to keep in mind that the City may not have as much funding available next year. The City is hearing that the federal administration would like to eliminate most of these grant dollars. He did not believe that these resources will get any better in the future.

Council Member Sellers recommended that staff be directed to work with the Rebuilding Together Silicon Valley group toward a not to exceed \$2,500 grant. Although there are a small number of

individuals who have been helped in Morgan Hill, he did not believe that the gap is insignificant. He recommended that staff return to the City Council at a subsequent meeting with a recommendation for funding.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent: 1) **Adopted** Resolution No. 5089 for Appropriation of Fiscal Year 2006-2007 CDBG Funds; and 2) Directed staff to work with the Rebuilding Together, Silicon Valley group to consider a not to exceed \$2,500 grant. Staff to return to the Council/Agency Board with a recommendation at a subsequent meeting.*

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, **Authorized** the City Manager to do Everything Necessary for the Implementation of the CDBG Program, Including Execution of all Required Contracts.*

City Council Action

OTHER BUSINESS:

29. COMMUNITY PARK IMPROVEMENTS PHASE 1 – APPROVE PARKS AND RECREATION COMMISSION RECOMMENDATION FOR ADDITIONAL FUNDING

Deputy Director of Public Works Struve presented the staff report, indicating that the project is at 35% design completion and faces a challenge in that the estimate for cost of construction is estimated to be \$868,000 greater than the funding available for the project. He informed the Council that the available funding for the construction of the project is \$950,000. The significant shortfall is attributed to the following: 1) when the initial project cost estimate was developed, staff did not have the benefit of an accurate survey or topographical information for this park. The information staff had was not current and was not sufficient. This resulted in significant greater costs and needs for retaining walls and grading of the project. 2) There was a greater than anticipated need for pavement repair (hardscape improvements all around the park). 3) There were unforeseen structural problems with the existing restroom building. 4) Increased some costs to maximize the cost recovery potential for the group picnic areas and the restroom/concession building in order to have more reservable park space that costs could be recovered. 5) The project architect admits to \$50,000 of under estimated costs. 6) Construction costs have increased significantly since the City developed the original cost estimates. He informed the Council that staff presented two options to the Parks & Recreation Commission in order to address the funding challenge: 1) reduce the scope of work significantly in the project. This option would require drastically reducing the improvements to project; rehabilitating the existing four tennis courts, adding drainage improvements and new resurfacing, building four new tennis courts, and the construction of a new restroom building. 2) A combination of delaying some of the construction items, bidding some as alternates, and additional funding from two sources: the parks maintenance fund and the park development impact fee fund for a combined additional funding of \$634,000. He indicated that a delay and creating some of the items as bid alternates would save \$233,000. He said that the use of park

development impact funds could be done by delaying the acquisition of additional park space that is included in the capital improvement program this fiscal year until next fiscal year. He informed the Council that the Parks & Recreation Commission recommends that the City delay construction of some of the items, bidding some of the alternates and providing additional funding for the project.

Council Member Sellers said that it is disturbing to hear that the project architect did not anticipate the drainage and topography costs. He inquired why the City did not know the topography going into the project. In terms of the architect, he inquired whether there are any opportunities to recover any of the costs or was there any liability on the part of the architect as the City was relying on their professional services?

Mr. Struve indicated that staff did not have enough information, grading-wise, to anticipate the cost that ended up being significant. He said that it would have been possible to develop this information at the time of developing the first cost estimate for the project. The question was how far the City goes at this stage to try to create an accurate cost. Does the City spend money or estimate to the extent possible what the project costs will be? If so, the City would need to develop further what the estimated costs would be as staff begins the design. He said that the City could have proceeded with a topographical survey before proceeding with the cost estimates. However, staff did not do so. He said that staff could pursue the ability of recovering costs with the project architect as he admitted that he underestimated the project by approximately \$50,000.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Council Member Sellers noted that one of the recommended delayed costs is the fence along the baseball fields. He stated that having played enough ball games at the park, he inquired whether there was a significant safety issue associated with the fence and whether this improvement needs to be moved to the sooner rather than later list as he would not want to see individuals hit by a ball.

Mr. Struve said that there are two things that staff will do in order to try and protect those who would be in the way of foul balls: 1) extend the top of the backstop out to third base, and 2) continue to extend the height of the fence beyond the third base point. He felt that staff has taken reasonable safety measures, but that the City could go further.

Council Member Sellers was pleased to hear that the project will provide some safety measures and further safety measures will be enhanced down the road.

Mayor Kennedy recommended that the delayed costs be prioritized. He felt that the baseball fencing would be of high priority.

Mr. Struve indicated that he would agree to place the items to be deferred in a priority order and apply a value to each one.

Council Member Carr noted that Phase 1 construction would be completed in February or March 2007 and that the new Indoor Recreation Center would be opened at this time as well. He stated that a

basketball court would be included as part of the indoor recreation center. Therefore, the outdoor basketball court would not be as urgent a project as some of the other items the city does not currently provide or are lacking. He inquired whether staff conducted an inventory of services already being offered as part of the indoor recreation center.

Mr. Struve informed the Council that the basketball court is not part of the funding and that he has sought a separate grant for this item. Therefore, there is not an opportunity to save any money.

Mayor Pro Tempore Grzan inquired what percentage/amount of funding has been set aside for 2006 for park acquisition.

Mr. Struve indicated that the Parks & Recreation Commission workplan item calls for the acquisition of an additional neighborhood park adjacent to a school, preferably, at approximately 5-acres in size for FY 2005-06. He indicated that the money set aside for this purpose is \$1.8 million. If acquisition purchase is delayed by one year, there would be sufficient funding in the Park Development Fund to redirect this money.

City Manager Tewes informed the Council that staff is recommending that the City Council appropriate from the unappropriated balance to complete the Community Park Improvement Project and delay the other projects, including the acquisitions of additional park land. The source of funding from this fund is park development impact fees paid by new development. He informed the Council that every year, the City receives approximately \$800,000 in revenue for this fund.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, 1) **Approved** alternative 2 (the Parks and Recreation Commission's Recommendation to Allocate Additional Funding of \$220,000 from the Unappropriated Park Maintenance Fund Balance, and \$414,300 from the Unappropriated Park Development Impact Fee Fund Balance to the Project to Complete the Phase 1 Improvements Consistent with the Community Park Master Plan.) 2) **Directed** staff to investigate whether the City has any legal recourse, legal, or otherwise against the Design Architect due to the underestimation of the general need for drainage improvements.*

30. OUTSIDE AGENCY ASSIGNMENTS

Council Services & Records Manager Torrez presented the staff report; indicating that on February 15, 2006, the city Council reviewed its outside agency assignments, aligning the assignments with the five standing Council committees. She stated that there were some assignments that needed clarification: 1) League of California Cities Peninsula Division. She indicated that the primary and alternate assignments were deferred until the Financial Policy Committee decided who would be serving as the primary and alternate members. It was her understanding that the Committee decided that Council Member Tate will serve as the primary member and Mayor Pro Tempore Grzan will serve as alternate to the Peninsula Division. 2) Santa Clara County Cities Association – City Selection Committee. At the February 15 meeting, there was a question whether an alternate member should be appointed to this

committee. She informed the Council that staff contacted Joann Benjamin with the Santa Clara County Cities Association. She indicated that the Association is recommending that the Council appoint an alternate member to this committee.

Council Member Sellers felt that it made sense for him to serve as the alternate to the City Selection Committee to be consistent with the regional subcommittee.

Mayor Pro Tempore Grzan recommended that the Santa Clara County Conservation Habitat be added to the Outside Agency Assignment list; listing Mayor Kennedy as primary member and Mayor Pro Tempore Grzan as alternate member and Kathy Molloy Previsich staff liaison.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, **Ratified** the Mayor's appointments to Outside Agencies as follows: League of California Cities Liaison – Peninsula Division: Tate (primary), Grzan (alternate); and Santa Clara County Cities Association – City Selection Committee: Kennedy (primary), Sellers (alternate); and added the Santa Clara County Conservation Habitat to the Assignments to Governmental Committees and Outside Agencies List.*

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, **Directed** the City Clerk to Notify the Appropriate Agencies of Remaining Assignments.*

FUTURE COUNCIL-INITIATED AGENDA ITEMS

No items were identified.

Redevelopment Agency and City Council Action

CLOSED SESSIONS:

Agency Counsel/City Attorney Kern announced the below listed closed session items:

1.

CONFERENCE WITH LABOR NEGOTIATOR:

Authority:	Government Code Section 54957.6
Agency Negotiators:	City Manager; Human Resources Director

Employee Organizations:	Morgan Hill Police Officers Association
	Employees Covered under Management Resolution #5872, as amended

OPPORTUNITY FOR PUBLIC COMMENT

Chairman/Mayor Kennedy opened the Closed Session items to public comment. No comment being offered, the public comment was closed.

ADJOURN TO CLOSED SESSION

Chairman/Mayor adjourned the meeting to Closed Session at 8:35 p.m.

RECONVENE

Chairman/Mayor reconvened the meeting at 9:24 p.m.

CLOSED SESSION ANNOUNCEMENT

Chairman/Mayor Kennedy announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business, Chairman/Mayor Kennedy adjourned the meeting at 9:25 p.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, AGENCY SECRETARY/CITY CLERK